

CENTRAL INTELLIGENCE AGENCY

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Assistant Director - Dipl. Ingr. - Daniel KARKASCH, an Austrian who is a Communist.

Bahnbedarf has 114 employees, including office personnel. The morale of the workers is generally good, and there are few dismissals. Of 104 workers, only about 30 are Communists; among the Communists are the head of the shop council, the foreman of the excavator repair section, and a lathe foreman. In the office, the head bookkeeper, the chief ~~industrialian~~, and the personnel manager are Communists.

4. Repair work

a. During the month of October 1948, the following equipment was repaired at Bahnbedarf:

- a. 3 caterpillar excavators (30 tons each)
- 5 steam locomotives (for narrow gauge track)
- 1 diesel roller (12 tons)
- 1 street-cleaning machine
- 2 dump cars

bb. First two weeks of November 1948:

- 2 caterpillar excavators (30 tons each)
- 4 steam locomotives (for narrow gauge track)
- 4 diesel motors
- 1 overhead crane (listed in para 2 above) was installed at Bahnbedarf

c. The repaired excavators have all been shipped out of Austria, to Germany or to Mukachevo in the USSR. ~~Comment: In 1949, a source reported that two excavators, or power shovels, had been repaired at Bahnbedarf during September 1948; he also indicated the origin of five remaining excavators, which, presumably, are those listed above.)~~

5. Production

At present, production capacity of the plant is devoted almost entirely to the manufacture of 9,000 dump cars ordered by the USIA Construction Branch. Delivery of this order is to be completed by the end of 1949. ~~Comment: These dump cars are described in detail in 1949.~~ VOLOVIK, chief of the USIA Construction Branch, has ordered the director of Bahnbedarf to hire and train experienced caterpillar tread men, and also to train 20 men for rapid replacement of parts in diesel motors and for servicing the motors. These instructions and the recent installation of a large crane (see paragraph 2 above) lead source to believe that Bahnbedarf will eventually repair large numbers of heavy-tracked vehicles.

6. All raw materials used by Bahnbedarf come either from USIA-controlled Austrian sources or from the Austrian market, with the exception of certain replacement parts and ball bearings, which are supplied, if available, by the USIA Construction Branch. Raw materials are paid for with schillings. The Austrian director of Bahnbedarf spends a great deal of time travelling in the Soviet Zone of Austria, purchasing material from USIA-controlled enterprises.

7. Bahnbedarf: Balance sheet

<u>Assets</u>	<u>Schillings</u>	<u>Liabilities</u>	<u>schillings</u>
Value of fixed installations <i>installations</i>	614,074.28	Stockholders (Kapital)	596,527.26
Supplies on hand	362,713.16	Obligations to other concerns	672,178.42
Uncompleted production	975,234.10	Profits 1947-48	104,034.04
Finished goods	212,494.50	Profits, first nine months 48	77,310.51

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Cash on hand	8,635.67	Creditors (Kreditoren)	589,212.44
Bills outstanding	165,357.45		
Cash in bank	111,841.48	Special funds	20,000.00
Claims on various concerns	208,912.05		
25X1A6a	2,059,262.69		2,059,262.69

Comment: The above figures are taken from what appears to be an exact copy of the balance sheet. Certain items are not quite clear, however, such as the difference between the second and fifth items in the second column and the reason for two profit entries for 1948.)

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